

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE ENROLLED ACT No. 1423

AN ACT concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **This SECTION applies to state income tax liability of a shareholder, partner, beneficiary, or member of a taxpayer that is a pass through entity and that incurred an expenditure:**

- (1) described in IC 6-3.1-6-2;
- (2) under an agreement with the commissioner of the department of correction;
- (3) for an operation conducted for inmates of Rockville Correctional Facility; and
- (4) in a taxable year beginning after December 31, 1997, and ending before January 1, 2002.

(b) The definitions in IC 6-3.1-6-1 apply throughout this SECTION.

(c) A shareholder, partner, beneficiary, or member of a pass through entity is entitled to a tax credit under IC 6-3.1-6 for a taxable year described in subsection (a) to the same extent as if IC 6-3.1-6-6, as added by P.L.129-2001, SECTION 6, had been in effect for that taxable year.

(d) Any penalties or interest assessed against a shareholder, partner, beneficiary, or member of the pass through entity solely because the pass through entity reported or because a shareholder, partner, beneficiary, or member of the pass through entity claimed



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a credit under IC 6-3.1-6 on a return filed for a taxable year described in subsection (a) is waived.

(e) If a shareholder, partner, beneficiary, or member of a pass through entity is entitled to a refund as a result of the enactment of this SECTION, the taxpayer or shareholder, partner, beneficiary, or member of a taxpayer may claim the refund under IC 6-8.1-9. The three (3) year time limitation imposed under IC 6-8.1-9-1 on filing a claim for refund does not apply to a refund claimed as a result of the enactment of this SECTION.

(f) This SECTION expires January 1, 2005.

SECTION 2. An emergency is declared for this act.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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HEA 1423 — Concur+

